

Attachment I
Fitchburg Gas and Electric Light Company
Docket DTE 94-48/49

Final 2002 Energy Efficiency Program Budget – April 2002 Update
Summary of Changes from the Nov. 1 Update

1. Energy Efficiency Fund Balance:

Actual program results, including revenues and costs, have been updated through December 31, 2001. Table A below summarize the changes in fund balance by sector.

TABLE A
Energy Efficiency Program Fund Balance
Program Year 2002

| Line No. | | Original Fcst 2/9/01 EE Plan (a) | Updated Fcst 4/22/02 Update (b) | Variance Col. (b) - (a) (c) |
|-----------------------------------|------------------------------|--|---------------------------------------|-----------------------------------|
| Residential Non-Low Income | | | | |
| 1. | Beginning Balance (1/1/02) | \$204,954 | \$401,774 | \$196,820 |
| 2. | EE Revenue | \$353,670 | \$336,520 | (\$17,150) |
| 3. | Total Sector Revenue | \$558,624 | \$738,294 | \$179,670 |
| 4. | Performance Incentive | \$18,300 | \$120,650 | \$102,350 |
| 5. | Program Costs | \$549,618 | \$629,802 | \$80,184 |
| 6. | Total Costs | \$567,918 | \$750,452 | \$182,534 |
| 7. | Yr-End Over/(Under-Recovery) | (\$9,294) | (\$12,158) | (\$2,864) |
| 8. | Interest on Balance | \$9,294 | \$12,158 | \$2,864 |
| 9. | Ending Balance (12/31/02) | \$0 | \$0 | \$0 |
| Residential Low-Income | | | | |
| 10. | Beginning Balance (1/1/02) | \$22,902 | \$3,027 | (\$19,875) |
| 11. | EE Revenue | \$130,073 | \$133,561 | \$3,488 |
| 12. | Total Sector Revenue | \$152,975 | \$136,588 | (\$16,387) |
| 13. | Performance Incentive | \$11,263 | \$35,199 | \$23,936 |
| 14. | Program Costs | \$142,751 | \$101,098 | (\$41,653) |
| 15. | Total Costs | \$154,014 | \$136,297 | (\$17,717) |
| 16. | Yr-End Over/(Under-Recovery) | (\$1,039) | \$291 | \$1,331 |
| 17. | Interest on Balance | \$1,039 | (\$291) | (\$1,330) |
| 18. | Ending Balance (12/31/02) | \$0 | \$0 | \$1 |
| Commercial and Industrial | | | | |
| 19. | Beginning Balance (1/1/02) | \$199,799 | (\$90,661) | (\$290,460) |
| 20. | EE Revenue | \$816,987 | \$865,530 | \$48,543 |
| 21. | Total Sector Revenue | \$1,016,786 | \$774,869 | (\$241,917) |
| 22. | Performance Incentive | \$75,925 | \$214,594 | \$138,669 |
| 23. | Program Costs | \$949,920 | \$555,467 | (\$394,453) |
| 24. | Total Costs | \$1,025,845 | \$770,061 | (\$255,784) |
| 25. | Yr-End Over/(Under-Recovery) | (\$9,060) | \$4,808 | \$13,868 |
| 26. | Interest on Balance | \$9,060 | (\$4,808) | (\$13,868) |
| 27. | Ending Balance (12/31/02) | \$0 | \$0 | \$0 |

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TABLE A
Energy Efficiency Program Fund Balance
Program Year 2002
(cont.)

NOTES:

Ln 1. Beginning Balance 1/1/02 -- Variance due to:
a) Final year-end carry-forward as of 12/31/00 was approx. \$61k higher than projected in the 2/9/01 filing (2000 actual expenses were lower than projected);
b) Actual 2001 Program Costs were under-budget by approx. \$86k. The Res Trade-In Program, which received approval too late (8/01) for effective implementation in 2001, accounted for the majority of the variance.

Ln 2. Projected 2002 EE Revenue: Variance due to updated load forecast

Ln 4. Projected 2002 Performance Incentive: In FG&E's 2/9/01 filing, this value was shown for 2002 only; in the 4/22 Update, this value includes recovery for 2000 and 2001 Performance Incentives, in addition to 2002.

Ln 5. Projected 2002 Program Budgets: Updated to reflect revised 2002 assumptions.

Ln 10. Beginning Balance 1/1/02 -- Variance due to:
a) Final year-end carry-forward as of 12/31/00 was approx. \$32k lower than projected in the 2/9/01 filing (2000 expenses were higher than expected. \$49k was reversed in 2001 for a booking error that occurred in 2000);
b) Actual 2001 Program Costs were under-budget by approx. \$75k -- the majority of which is accounted for by a reversal of approx. \$49k to correct a booking error that occurred in 2000.

Ln 11. Projected 2002 EE Revenue: Variance due to updated load forecast

Ln 13. Projected 2002 Performance Incentive: In FG&E's 2/9/01 filing, this value was shown for 2002 only; in the 4/22 Update, this value includes recovery for 2000 and 2001 Performance Incentives, in addition to 2002.

Ln 14. Projected 2002 Program Budgets: Updated to reflect revised 2002 assumptions.

Ln 19. Beginning Balance 1/1/02 -- Variance due to:
a) Final year-end carry-forward as of 12/31/00 was approx. \$126k lower than projected (2000 expenses were higher than projected in the 2/9/01 filing);
b) Actual 2001 Program Costs were under-budget by approx. \$35k (in total).; and
c) Actual 2001 EE Revenue were lower than projected by \$135k due to lower C&I sales.

Ln 20. Projected 2002 EE Revenue: Variance due to updated load forecast

Ln 22. Projected 2002 Performance Incentive: In FG&E's 2/9/01 filing, this value was shown for 2002 only; in the 4/22 Update, this value includes recovery for 2000 and 2001 Performance Incentives, in addition to 2002.

Ln 23. Projected 2002 Program Budgets: Updated to reflect revised 2002 assumptions.

2. Program Budgets revised for FG&E's Updated 2002 Evaluation Plan:

On December 21, 2001, the DOER and D.T.E. requested that Massachusetts electric utilities summarize current and planned evaluation activities. FG&E provided the requested information on January 11, 2002. On March 1, 2002, in response to the Non-Utility Parties comments on its January 11, 2002 submittal, the Company provided an updated evaluation plan which included evaluation budgets by program and sector for 2002. The updated evaluation budgets have been incorporated into the Company's Final 2002 Energy Efficiency Program budget provided herein.

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3. Program Budgets updated to include Revised 2002 Performance Incentives calculated using the “placeholder” rate of 4.5%:

The Utility and Non-Utility Parties have agreed to re-examine the Utility Performance Incentive mechanism for 2002, and consider other ideas/mechanisms for the upcoming 2003-2007 period. As part of the discussions, the Parties have agreed that the Utilities should use a “placeholder” rate of 4.5% (after tax) to estimate 2002 Performance Incentives for budget purposes. FG&E's Final 2002 Energy Efficiency Program Budget includes re-calculation of the Performance Incentive based on the 4.5% “placeholder” rate.